



Setting the Record Straight: Biden's Budget

Myth #1: *President Biden's Budget will revitalize the American middle class.*

Fact: **The budget is an unprecedented spending spree that will raise taxes on the middle class and launch debt to historic levels, saddling future generations with a huge burden.**

- ✓ The nonpartisan Congressional Budget Office forecasts that Biden's Budget will sharply increase our debt, with \$69 trillion in spending over 10 years that will also lead to a \$1.3 trillion deficit every year for the next 10 years.
- ✓ America's debt will top \$39 trillion by 2031, the greatest ever, and debt would comprise 117% of the United States' GDP, which would be the highest level in history.
- ✓ The deficits produced by the Biden Budget will be financed by taxpayers like you. Future generations will be placed in an unsustainable financial position.

Myth #2: *Biden's Budget will help the economy recover faster from COVID-19.*

Fact: **Projections of the long-term impact of this spending bill show a static and lethargic level of GDP growth for the next decade.**

- ✓ The Biden Administration has already tried to argue that reckless spending will lead to a faster recovery and they have been wrong. The Consumer Price Index is up, inflation is at a 13-year high, labor force participation is down, and small businesses cannot hire.
- ✓ More reckless spending is not the answer. Under Biden's Budget, real GDP growth is estimated to increase by 5.2% in 2021 and 4.3% in 2022 but would stagnate to only 1.8% over the following decade, well below the 75-year average of 3% annual growth.

Myth #3: *President Biden's Budget reforms the corporate tax code to incentivize job creation and investment here in the United States.*

Fact: **Increasing taxes on our most successful employers and small businesses is completely counter-productive to job creation, efficiency, and domestic investment.**

- ✓ The Tax Cuts and Jobs Act, which President Trump signed into law in 2017, lowered the U.S. corporate tax rate from a global high rate of 35% to a competitive and productive rate of 21%. This spurred one of the longest and strongest periods of economic growth in our nation's history, as companies had an incentive to invest here in the United States.
- ✓ Following passage of the Tax Cuts and Jobs Act, labor force participation increased along with real disposable income for households. This legislation put more money back into the pockets of American families and our economy grew as a result. At least 65% of households received a tax cut - in the 22nd Congressional District, individuals or families with income ranging from \$50,000 to \$100,000 received a tax cut anywhere from \$1,400 to nearly \$2,000. In addition, as result of this bill, companies repatriated more than \$1 trillion in overseas profits, all of which was subject to taxes in the United States.

Setting the Record Straight: Biden's Budget

To read more, visit tenney.house.gov/setting-record-straight

- ✓ But the Biden Budget eliminates these tax cuts across the board for everyone, small businesses, families, and large employers. The Biden Budget proposes increasing our nation's corporate tax rate to 28%, well above the global average. The Biden Budget's corporate tax increase would disincentivize corporations from having their businesses based here in the United States, especially when there are other developed countries with much lower corporate tax codes. This would exacerbate unemployment here at home.
- ✓ Under Biden's plan, it is not just an increase in the corporate tax rate that is concerning. His budget proposal would also eliminate stepped-up basis, which could deal a crushing blow to generational family farms and small business in our community.

Myth #4: *President Biden's Budget focuses on investments in infrastructure and education.*

Fact: **The Biden Budget prioritizes a progressive wish list of items that have very little to do with traditional infrastructure and education issues.**

- ✓ \$1.4 billion to pursue "environmental social justice."
- ✓ \$146 billion in new taxes on traditional energy sources.
- ✓ \$2.4 billion to electrify Postal Service vehicles.
- ✓ \$1.2 billion for the Green Climate Fund.
- ✓ \$691 million to foreign countries for climate change.
- ✓ \$600 million to the private sector to combat climate change.
- ✓ \$400 million for state and local governments to establish gun buyback programs.
- ✓ \$124 million for the WHO despite the organization's failure to stand up to China.
- ✓ Eliminates the Hyde amendment, the decades-old ban on federal funding for abortions.
- ✓ Makes illegal immigrants eligible for taxpayer-funded education grants.

Myth #5: *President Biden's Budget makes robust investments in defense spending.*

Fact: **Biden's Budget puts America's security at risk both at home and abroad by gutting our military budget and failing to address the border crisis.**

- ✓ Biden's Budget does not include a request for new funding for the Department of Homeland Security at a time when border crossings are at a 21-year high. It also fails to include any money to complete construction of the border wall.
- ✓ The Biden Budget also cuts defense spending by allocating a sum of money that does not even keep up with yearly inflation, let alone with the growing military budgets of adversaries like China. In an age of great power competition, now is not the time to gut our military and divest in critical resources. Now is the time to modernize our military and remain on the cutting-edge of advanced research and technology.